

# MeF Form 1120-F TEST SCENARIO 1

## RETURN HEADER INFORMATION

Header Information	Test Scenario 1 Input
[Return, ReturnHeader, DisasterRelief]	Yes/No Selection – Select “NO”
[Return, ReturnHeader, ISPNumber]	ABCDEF
[Return, ReturnHeader, SoftwareVersion]	12345678
[Return, ReturnHeader, MultipleSoftwarePackagesUsed]	Yes/No Selection – Select “NO”
[Return, ReturnHeader, Originator, EFIN]	123456
[Return, ReturnHeader, Originator, Type]	Large Taxpayer
[Return, ReturnHeader, Originator, PractitionerPIN, EFIN]	N/A (using scanned Form 8453-I)
[Return, ReturnHeader, Originator, PractitionerPIN, PIN]	N/A (using scanned Form 8453-I)
[Return, ReturnHeader, PINEnteredBy]	N/A (using scanned Form 8453-I)
[Return, ReturnHeader, SignatureOption]	8453-I (included as PDF)
[Return, ReturnHeader, Filer, NameControl]	RMNI (for RMN Incorporated)
[Country Code]	AS (Australia)
[Officer, Name]	Samuel L Brintz
[Officer, Title]	Chief Financial Officer
[Return, ReturnHeader, Officer, TaxpayerPIN]	N/A (using scanned Form 8453-I)
[Return, ReturnHeader, Officer, Phone]	000-321-7654
[Return, ReturnHeader, Officer, EmailAddress]	<a href="mailto:sam.brintz@rmni.com">sam.brintz@rmni.com</a>
[Return, ReturnHeader, Officer, DateSigned]	8/28/2008
[Return, ReturnHeader, Officer, AuthorizeThirdParty]	Yes/No Selection – Select “YES”
[Return, ReturnHeader, Preparer, Name]	John E. Suiter
[Return, ReturnHeader, Preparer, Firm]	AAA Tax Services
[Return, ReturnHeader, Preparer, Address]	4000 3 <sup>rd</sup> Street, Suite 100 Portland, Oregon 97201
[Return, ReturnHeader, Preparer, EIN]	11-0000300
[Return, ReturnHeader, Preparer, SSN] or PTIN	PTIN = 000-11-0000
[Return, ReturnHeader, Preparer, Phone]	000-123-4567
[Return, ReturnHeader, Preparer, EmailAddress]	<a href="mailto:john.e.suiter@AAATax.com">john.e.suiter@AAATax.com</a>
[Return, ReturnHeader, Preparer, DatePrepared]	8/20/2008
[Return, ReturnHeader, Preparer, SelfEmployed]	Yes/No Selection – Select “NO”

# MeF FORM 1120-F TEST SCENARIO 1

<b>Form 1120-F</b> Department of the Treasury Internal Revenue Service (77)	<b>U.S. Income Tax Return of a Foreign Corporation</b> For calendar year 2007, or tax year beginning <u>Jan 01</u> , 2007, and ending <u>Dec 31</u> , 20 <u>07</u> ▶ See separate instructions.	OMB No. 1545-0126  <div style="font-size: 2em; font-weight: bold;">2007</div>
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<b>Use IRS label. Otherwise, print or type.</b>	Name <b>RMN Incorporated</b> Number, street, and room or suite no. (see instructions) <b>1234 Main Street</b> City or town, state and ZIP code, or country (see instructions) <b>Sydney, Victoria, Australia 3000</b>	Employer identification number <div style="display: flex; justify-content: space-between;"> <span><b>11</b></span> <span><b>0000600</b></span> </div> Check box(es) if: <input type="checkbox"/> Name or address change <input type="checkbox"/> First post-merger return <input checked="" type="checkbox"/> Schedule M-3 attached <input type="checkbox"/> Initial return <input checked="" type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Protective return
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**A** Country of incorporation Australia

**B** Foreign country under whose laws the income reported on this return is also subject to tax Australia

**C** Date incorporated 9/15/2000

**D** (1) Location of corporation's primary books and records (city, province or state, and country) Sydney, Australia  
 (2) Principal location of worldwide business \_\_\_\_\_  
 (3) If the corporation maintains an office or place of business in the United States, check here ☒

**E** If the corporation had an agent in the United States at any time during the tax year, enter:  
 (1) Type of agent \_\_\_\_\_  
 (2) Name \_\_\_\_\_  
 (3) Address \_\_\_\_\_

**F** See page 22 of the instructions and enter the corporation's principal:  
 (1) Business activity code number ▶ 523900  
 (2) Business activity ▶ Financial Investment  
 (3) Product or service ▶ Underwriter Commodities

**G** Check method of accounting: (1) ☐ Cash (2) ☒ Accrual  
 (3) ☐ Other (specify) ▶ \_\_\_\_\_

**H** Did the corporation's method of accounting change from the preceding tax year? ☒ Yes ☐ No  
 If "Yes," attach an explanation.

**I** Did the corporation's method of determining income change from the preceding tax year? ☐ Yes ☒ No  
 If "Yes," attach an explanation.

**J** Did the corporation file a U.S. income tax return for the preceding tax year? ☒ Yes ☐ No

**K** (1) At any time during the tax year, was the corporation engaged in a trade or business in the United States? ☒ Yes ☐ No  
 (2) 

Note: K(2) will be available in ATS after 12/2/07 - ignore if using prior to that date!

**L** At any time during the tax year, did the corporation have a permanent establishment in the United States for purposes of any applicable tax treaty between the United States and a foreign country? ☐ Yes ☒ No  
 If "Yes," enter the name of the foreign country: \_\_\_\_\_

**M** Did the corporation have any transactions with related parties? ☒ Yes ☐ No  
 If "Yes," Form 5472 may have to be filed (see instructions).  
 Enter number of Forms 5472 attached ▶ 1  
 Note: Additional information is required on page 2.

## Computation of Tax Due or Overpayment

1	Tax from Section I, line 11, page 2	1	11,000,000	00			
2	Tax from Section II, Schedule J, line 9, page 4	2	480,000	00			
3	Tax from Section III (add lines 6 and 10 on page 5)	3					
4	<b>Total tax.</b> Add lines 1 through 3	4	11,480,000	00			
5a	2006 overpayment credited to 2007	5a	100,000	00			
b	2007 estimated tax payments	5b	700,000	00			
c	Less 2007 refund applied for on Form 4466	5c	( )				
d	Combine lines 5a through 5c	5d	800,000	00			
e	Tax deposited with Form 7004	5e	420,000	00			
f	Credit for tax paid on undistributed capital gains (attach Form 2439)	5f					
g	Credit for federal tax on fuels (attach Form 4136). See instructions	5g					
h	U.S. income tax paid or withheld at source (add line 12, page 2, and amounts from Forms 8288-A and 8805 (attach Forms 8288-A and 8805))	5h	11,000,000	00			
i	<b>Total payments.</b> Add lines 5d through 5h	5i	12,220,000	00			
6	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	6					
7	<b>Amount owed.</b> If line 5i is smaller than the total of lines 4 and 6, enter amount owed	7					
8	<b>Overpayment.</b> If line 5i is larger than the total of lines 4 and 6, enter amount overpaid	8	740,000	00			
9	Enter portion of line 8 you want <b>Credited to 2008 estimated tax</b> ▶ <input type="checkbox"/> <b>Refunded</b> ▶ <input checked="" type="checkbox"/>	9	740,000	00			

<b>Sign Here</b> Signature of officer _____ Date _____ Title <b>Chief Financial Officer</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. <div style="display: flex; justify-content: space-between;"> <div>             Preparer's signature _____              Firm's name (or yours if self-employed), address, and ZIP code ▶ <b>AAA Tax Service</b>  <b>4000 3rd Street, Suite 100, Portland, OR 97201</b> </div> <div>             Check if self-employed <input type="checkbox"/>              EIN <b>11</b> Preparer's SSN or PTIN <b>0000300</b>              Phone no. ( ) _____           </div> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">             May the IRS discuss this return with the preparer shown below (see instructions)?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No           </div>
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**Additional Information** (continued from page 1)

- N** Is the corporation a controlled foreign corporation? (See section 957(a) for definition.) ☐ Yes ☒ No
- O** Is the corporation a personal service corporation? (See instructions for definition.) ☐ Yes ☒ No
- P** Enter tax-exempt interest received or accrued during the tax year (see instructions) ▶ \$.....
- Q** At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a U.S. corporation? (See section 267(c) for rules of attribution.) ☐ Yes ☒ No  
If "Yes," attach a schedule showing (1) name and EIN of such U.S. corporation; (2) percentage owned; and (3) taxable income or (loss) before net operating loss (NOL) and special deductions of such U.S. corporation for the tax year ending with or within your tax year.
- R** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ☐ ☐
- S** Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 30a, page 3.) ▶ \$.....
- T** Is the corporation a subsidiary in a parent-subsidiary controlled group? ☐ Yes ☒ No  
If "Yes," enter the parent corporation's:  
(1) EIN ▶ .....  
(2) Name ▶ .....

**U** At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (See section 267(c) for rules of attribution.) ☐ Yes ☒ No  
If "Yes," attach a schedule showing the name and identifying number. (Do not include any information already entered in item T.)

Enter percentage owned ▶ .....

**V** Is the corporation taking a position on this return that a U.S. tax treaty overrules or modifies an Internal Revenue law of the United States, thereby causing a reduction of tax? ☐ Yes ☒ No  
If "Yes," the corporation is generally required to complete and attach Form 8833. See Form 8833 for exceptions.

**Note:** Failure to disclose a treaty-based return position may result in a \$10,000 penalty (see section 6712).

**W** During the tax year, did the corporation own any entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? ☐ Yes ☒ No  
If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each such entity.

**X** During the tax year, did the corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? ☐ Yes ☒ No  
If "Yes," see instructions for required attachment.

**Y** (1) Has the corporation made any allocation or reallocation of income based on section 482 and its regulations? ☐ Yes ☒ No  
(2) Has the corporation recognized any interbranch amounts? If "Yes," attach statement (see instructions) ☐ Yes ☒ No

**Z** (1) Is the corporation a dealer under section 475? ☐ Yes ☒ No  
(2) Did the corporation mark to market any securities or commodities other than in a dealer capacity? ☐ Yes ☒ No

**SECTION I—Income From U.S. Sources Not Effectively Connected With the Conduct of a Trade or Business in the United States**—Do not report items properly withheld and reported on Form 1042-S. See instructions.

Include below **only** income from U.S. sources that is **not** effectively connected with the conduct of a trade or business in the United States. Do not report items properly withheld and reported on Form 1042-S. Report only items that (a) are not correctly withheld at source or (b) are not correctly reported on Form 1042-S. The rate of tax on each item of **gross** income listed below is 30% (4% for the gross transportation tax) or such lower rate specified by tax treaty. No deductions are allowed against these types of income. Enter treaty rates where applicable. **If the corporation is claiming a lower treaty rate, also complete Item V above.** If multiple treaty rates apply to a type of income (e.g., subsidiary and portfolio dividends or dividends received by disregarded entities), attach a schedule showing the amounts, tax rates, and withholding for each.

Name of treaty country, if any ▶ .....

(a) Class of income (see instructions)	(b) Gross amount	(c) Rate of tax (%)	(d) Amount of tax liability	(e) Amount of U.S. income tax paid or withheld at the source
1 Interest		30%	2,000,000	2,000,000
2 Dividends		30%	1,000,000	1,000,000
3 Rents		30%	1,000,000	1,000,000
4 Royalties		30%	1,000,000	1,000,000
5 Annuities		30%	1,000,000	1,000,000
6 Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting schedule)				
7 Gains from sale or exchange of patents, copyrights, etc.		30%	3,000,000	3,000,000
8 Fiduciary distributions (attach supporting schedule)				
9 Gross transportation income		4		
10 Other fixed or determinable annual or periodic gains, profits, and income		30%	2,000,000	2,000,000
11 Total. Enter here and on line 1, page 1			11,000,000	
12 Total. Enter here and include on line 5h, page 1				11,000,000

- 13** Is the corporation fiscally transparent under the laws of the foreign jurisdiction with respect to any item of income listed above? ☐ Yes ☒ No  
If "Yes," attach a schedule that provides the information requested above with respect to each such item of income.



**SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States**  
(see instructions)**Important:** Fill in all applicable lines and schedules. If you need more space, see **Assembling the Return** in the instructions.

<b>Income</b>	<b>1a</b>	Gross receipts or sales	2,012,000	<b>b</b>	Less returns and allowances		<b>c</b>	Balance	<b>1c</b>	2,012,000	00
	<b>2</b>	Cost of goods sold (Schedule A, line 8)							<b>2</b>		
	<b>3</b>	Gross profit (subtract line 2 from line 1c)							<b>3</b>	2,012,000	00
	<b>4</b>	Dividends (Schedule C, line 14)							<b>4</b>	6,000	00
	<b>5</b>	Interest							<b>5</b>		
	<b>6</b>	Gross rents							<b>6</b>	(1,000)	00
	<b>7</b>	Gross royalties							<b>7</b>		
	<b>8</b>	Capital gain net income (attach Schedule D (Form 1120))							<b>8</b>		
	<b>9</b>	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)							<b>9</b>		
	<b>10</b>	Other income (see instructions—attach schedule)							<b>10</b>		
	<b>11</b>	<b>Total income.</b> Add lines 3 through 10							<b>11</b>	2,017,000	00
<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b>	Compensation of officers (Schedule E, line 4)							<b>12</b>		
	<b>13</b>	Salaries and wages (less employment credits)							<b>13</b>		
	<b>14</b>	Repairs and maintenance							<b>14</b>		
	<b>15</b>	Bad debts (for bad debts over \$500,000, attach a list of debtors and amounts)							<b>15</b>		
	<b>16</b>	Rents							<b>16</b>		
	<b>17</b>	Taxes and licenses							<b>17</b>		
	<b>18</b>	Interest expense from Schedule I, line 25							<b>18</b>	1,006,000	00
	<b>19</b>	Charitable contributions							<b>19</b>		
	<b>20</b>	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)							<b>20</b>		
	<b>21</b>	Depletion							<b>21</b>		
	<b>22</b>	Advertising							<b>22</b>		
	<b>23</b>	Pension, profit-sharing, etc., plans							<b>23</b>	5,000	00
	<b>24</b>	Employee benefit programs							<b>24</b>		
	<b>25</b>	Domestic production activities deduction (attach Form 8903)							<b>25</b>		
	<b>26</b>	Deductions allocated and apportioned to ECI from Schedule H, line 21 (see instructions)							<b>26</b>		
	<b>27</b>	Other deductions (attach schedule)							<b>27</b>		
	<b>28</b>	<b>Total deductions.</b> Add lines 12 through 27							<b>28</b>	1,011,000	00
	<b>29</b>	Taxable income before NOL deduction and special deductions (subtract line 28 from line 11)							<b>29</b>	1,006,000	00
	<b>30</b>	<b>Less:</b>									
<b>a</b>		Net operating loss deduction (see instructions)							<b>30a</b>		
<b>b</b>		Special deductions (Schedule C, line 15)							<b>30b</b>	6,000	00
	<b>c</b>	Add lines 30a and 30b							<b>30c</b>	6,000	00
<b>31</b>	Taxable income or (loss). Subtract line 30c from line 29							<b>31</b>	1,000,000	00	

**Schedule A Cost of Goods Sold** (see instructions)

<b>1</b>	Inventory at beginning of year	<b>1</b>		
<b>2</b>	Purchases	<b>2</b>		
<b>3</b>	Cost of labor	<b>3</b>		
<b>4</b>	Additional section 263A costs (attach schedule)	<b>4</b>		
<b>5</b>	Other costs (attach schedule)	<b>5</b>		
<b>6</b>	Add lines 1 through 5	<b>6</b>		
<b>7</b>	Inventory at end of year	<b>7</b>		
<b>8</b>	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Section II, line 2, above	<b>8</b>		

**9a** Check all methods used for valuing closing inventory:

- (1) ☐ Cost as described in Regulations section 1.471-3
- (2) ☐ Lower of cost or market as described in Regulations section 1.471-4
- (3) ☐ Other (Specify method used and attach explanation.)

**b** Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ☐**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐**d** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** **e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

**SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States**  
(continued)**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions: (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations		70	
7 Dividends from 20%-or-more-owned foreign corporations		80	
8 <b>Total.</b> Add lines 1 through 7. See instructions for limitation.			
9 Dividends from foreign corporations not included on lines 3, 6, or 7			
10 Foreign dividend gross-up (section 78)			
11 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))	6,000		
12 Other dividends			
13 Deduction for dividends paid on certain preferred stock of public utilities			
14 <b>Total dividends.</b> Add lines 1 through 12. Enter here and on line 4, page 3	6,000		
15 <b>Total special deductions.</b> Add lines 8 and 13. Enter here and on line 30b, page 3			6,000

**Schedule E Compensation of Officers** (See instructions for Section II, line 12.)

**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 of Section II) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1a		%	%	%	
b		%	%	%	
c		%	%	%	
d		%	%	%	
e		%	%	%	
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on this return					
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 3					

**Schedule J Tax Computation** (see instructions)

1 Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2 <b>Income tax.</b> Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2	500,000 00
3 Alternative minimum tax (attach Form 4626)		3	
4 Add lines 2 and 3		4	500,000 00
5a Foreign tax credit (attach Form 1118)	5a		
b General business credit. Check applicable box(es): <input checked="" type="checkbox"/> Form 3800 <input type="checkbox"/> Form (specify): _____	5b	20,000 00	
c Credit for prior year minimum tax (attach Form 8827)	5c		
d Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912	5d		
6 <b>Total credits.</b> Add lines 5a through 5d	6	20,000 00	
7 Subtract line 6 from line 4	7	480,000 00	
8 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	8		
9 <b>Total tax.</b> Add lines 7 and 8. Enter here and on line 2, page 1	9	480,000 00	

**SECTION III—Branch Profits Tax and Tax on Excess Interest****Part I—Branch Profits Tax** (see instructions)

<b>1</b>	Enter the amount from Section II, line 29 . . . . .	<b>1</b>	<b>1,006,000</b>	<b>00</b>
<b>2</b>	Enter total adjustments to line 1 to get effectively connected earnings and profits. (Attach required schedule showing the nature and amount of adjustments.) (See instructions.) . . . . .	<b>2</b>		
<b>3</b>	Effectively connected earnings and profits. Combine line 1 and line 2 . . . . .	<b>3</b>	<b>1,006,000</b>	<b>00</b>
<b>4a</b>	Enter U.S. net equity at the end of the current tax year. (Attach required schedule.) . . . . .	<b>4a</b>	<b>1,006,000</b>	<b>00</b>
<b>b</b>	Enter U.S. net equity at the end of the prior tax year. (Attach required schedule.) . . . . .	<b>4b</b>	<b>1,006,000</b>	<b>00</b>
<b>c</b>	Increase in U.S. net equity. If line 4a is greater than or equal to line 4b, subtract line 4b from line 4a. Enter the result here and skip to line 4e . . . . .	<b>4c</b>	<b>0</b>	
<b>d</b>	Decrease in U.S. net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b. . . . .	<b>4d</b>		
<b>e</b>	Non-previously taxed accumulated effectively connected earnings and profits. Enter excess, if any, of effectively connected earnings and profits for preceding tax years beginning after 1986 over any dividend equivalent amounts for those tax years . . . . .	<b>4e</b>		
<b>5</b>	Dividend equivalent amount. Subtract line 4c from line 3. If zero or less, enter -0-. If no amount is entered on line 4c, add the lesser of line 4d or line 4e to line 3 and enter the total here . . . . .	<b>5</b>		
<b>6</b>	<b>Branch profits tax.</b> Multiply line 5 by 30% (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). Enter here and include on line 3, page 1. (See instructions.) <b>Also complete item V on page 2</b> . . . . .	<b>6</b>		

**Part II—Tax on Excess Interest** (see instructions for this Part and for Schedule I)

<b>7a</b>	Enter the interest from Section II, line 18 . . . . .	<b>7a</b>		
<b>b</b>	Enter the inverse of the total amount deferred, capitalized, and disallowed from Schedule I, line 24d (i.e., if line 24d is negative, enter as a positive number; if line 24d is positive, enter as a negative number). . . . .	<b>7b</b>		
<b>c</b>	Combine lines 7a and 7b (amount must equal Schedule I, line 23). . . . .	<b>7c</b>		
<b>8</b>	<b>Branch interest</b> (see instructions for definition): Enter the sum of Schedule I, line 9, column (c), and Schedule I, line 22. If the interest paid by the foreign corporation's U.S. trade or business was increased because 80% or more of the foreign corporation's assets are U.S. assets, check this box <input type="checkbox"/> . . . . .	<b>8</b>		
<b>9a</b>	Excess interest. Subtract line 8 from line 7c. If zero or less, enter -0- . . . . .	<b>9a</b>		
<b>b</b>	If the foreign corporation is a bank, enter the excess interest treated as interest on deposits. Otherwise, enter -0-. (See instructions.) . . . . .	<b>9b</b>		
<b>c</b>	Subtract line 9b from line 9a . . . . .	<b>9c</b>		
<b>10</b>	<b>Tax on excess interest.</b> Multiply line 9c by 30% or lower treaty rate (if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. <b>Also complete item V on page 2</b> . . . . .	<b>10</b>		

**Part III—Additional Information**

	Yes	No
<b>11</b> Is the corporation claiming a reduction in, or exemption from, the branch profits tax due to:		
<b>a</b> A complete termination of all U.S. trades or businesses? . . . . .		✓
<b>b</b> The tax-free liquidation or reorganization of a foreign corporation? . . . . .		✓
<b>c</b> The tax-free incorporation of a U.S. trade or business? . . . . .		✓
If <b>11a</b> or <b>11b</b> applies and the transferee is a domestic corporation, attach Form 8848. If <b>11c</b> applies, attach the statement required by Temporary Regulations section 1.884-2T(d)(5).		

**Note:** Check if completing on ☐ U.S. basis or a ☒ Worldwide basis.**Schedule L Balance Sheets per Books**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash . . . . .				
2a Trade notes and accounts receivable . . . . .	300,000,000		200,000,000	
b Less allowance for bad debts . . . . .	( )	300,000,000	( )	200,000,000
3 Inventories . . . . .				
4 U.S. government obligations . . . . .				
5 Tax-exempt securities (see instructions) . . . . .				
6a Interbranch current assets* . . . . .				
b Other current non-U.S. assets* . . . . .				
c Other current U.S. assets* . . . . .				200,000,000
7 Loans to shareholders . . . . .		300,500,000		550,000
8 Mortgage and real estate loans . . . . .				
9a Other loans and investments—non-U.S. assets* . . . . .				
b Other loans and investments—U.S. assets* . . . . .				
10a Buildings and other depreciable assets . . . . .				
b Less accumulated depreciation . . . . .	( )		( )	
11a Depletable assets . . . . .				
b Less accumulated depletion . . . . .	( )		( )	
12 Land (net of any amortization) . . . . .				
13a Intangible assets (amortizable only) . . . . .				
b Less accumulated amortization . . . . .	( )		( )	
14 Assets held in trust . . . . .		400,000		600,000
15 Other non-current interbranch assets* . . . . .				
16a Other non-current non-U.S. assets* . . . . .				
b Other non-current U.S. assets* . . . . .				
17 Total assets . . . . .		600,900,000		401,150,000
<b>Liabilities</b>				
18 Accounts payable . . . . .		100,000,000		120,000,000
19 Mortgages, notes, bonds payable in less than 1 year:				
a Interbranch liabilities* . . . . .				
b Third-party liabilities* . . . . .				
20 Other current liabilities* . . . . .				
21 Loans from shareholders . . . . .		50,000,000		100,000,000
22 Mortgages, notes, bonds payable in 1 year or more:				
a Interbranch liabilities* . . . . .				
b Third-party liabilities* . . . . .				
23 Liabilities held in trust . . . . .		900,000,000		700,000,000
24a Other interbranch liabilities* . . . . .				
b Other third-party liabilities* . . . . .				
<b>Equity (see instructions)</b>				
25 Capital stock: a Preferred stock . . . . .				
b Common stock . . . . .				
26 Additional paid-in capital . . . . .		5,000,000		15,000,000
27 Retained earnings—Appropriated* . . . . .				
28 Retained earnings—Unappropriated . . . . .				
29 Adjustments to shareholders' equity* . . . . .				
30 Less cost of treasury stock . . . . .		( )		( )
31 Total liabilities and shareholders' equity . . . . .		1,055,000,000		935,000,000

\*Attach schedule—See instructions.



**SCHEDULES M-1 and M-2  
(Form 1120-F)**Department of the Treasury  
Internal Revenue Service

Name of corporation

**RMN Incorporated****Reconciliation of Income (Loss) and Analysis of  
Unappropriated Retained Earnings per Books**

▶ Attach to Form 1120-F.

OMB No. 1545-0126

**2007**

Employer identification number

**11 0000600****Schedule M-1****Reconciliation of Income (Loss) per Books With Income per Return****Note:** Schedule M-3 may be required instead of Schedule M-1—see instructions.

<b>1</b> Net income (loss) per books . . . . .		<b>7</b> Income recorded on books this year not included on this return (itemize):	
<b>2</b> Federal income tax per books . . . . .		<b>a</b> Tax-exempt interest \$ . . . . .	
<b>3</b> Excess of capital losses over capital gains . . . . .		<b>b</b> Other (itemize): . . . . .	
<b>4</b> Income subject to tax not recorded on books this year (itemize): . . . . .			
		<b>8</b> Deductions on this return not charged against book income this year (itemize):	
<b>5</b> Expenses recorded on books this year not deducted on this return (itemize):		<b>a</b> Depreciation . . . . . \$ . . . . .	
<b>a</b> Depreciation . . . . . \$ . . . . .		<b>b</b> Charitable contributions \$ . . . . .	
<b>b</b> Charitable contributions \$ . . . . .		<b>c</b> Other (itemize): . . . . .	
<b>c</b> Travel and entertainment \$ . . . . .			
<b>d</b> Other (itemize): . . . . .			
		<b>9</b> Add lines 7 and 8 . . . . .	
<b>6</b> Add lines 1 through 5 . . . . .		<b>10</b> Income—line 6 less line 9 . . . . .	

**Schedule M-2****Analysis of Unappropriated Retained Earnings per Books per Return**

<b>1</b> Balance at beginning of year . . . . .	<b>700,000</b>	<b>5</b> Distributions: <b>a</b> Cash . . . . .	<b>12,000,000</b>
<b>2</b> Net income (loss) per books . . . . .	<b>300,000</b>	<b>b</b> Stock . . . . .	<b>108,000,000</b>
<b>3</b> Other increases (itemize): . . . . .		<b>c</b> Property . . . . .	<b>112,000,000</b>
		<b>6</b> Other decreases (itemize): . . . . .	
<b>4</b> Add lines 1, 2, and 3 . . . . .	<b>1,000,000</b>	<b>7</b> Add lines 5 and 6 . . . . .	<b>232,000,000</b>
		<b>8</b> Balance at end of year (line 4 less line 7) . . . . .	<b>231,000,000</b>



**SCHEDULE M-3  
(Form 1120-F)**

Department of the Treasury  
Internal Revenue Service

**Net Income (Loss) Reconciliation for Foreign  
Corporations With Reportable Assets of \$10 Million or More**

▶ Attach to Form 1120-F.  
▶ See separate instructions.

OMB No. 1545-0126

**2007**

Name of corporation

**RMN Incorporated**

Employer identification number

**11 0000600**

- A** Has the corporation reported taxable income on Form 1120-F, page 3, using a treaty provision to attribute business profits to a U.S. permanent establishment under rules other than section 864(c)? ☐ Yes ☒ No
- B** Did the corporation prepare a non-consolidated, worldwide, certified audited income statement for the period (see instructions)? ☐ Yes ☒ No
- C** Did the corporation prepare a non-consolidated, worldwide income statement for the period (see instructions)? ☐ Yes ☒ No
- D** Did the corporation prepare certified audited income statement(s) for the set(s) of books reported on Form 1120-F, Schedule L? ☐ Yes ☒ No

**Part I Financial Information and Net Income (Loss) Reconciliation** (see instructions)

- 1** Is the corporation a foreign bank as defined in Temporary Regulations section 1.882-5T(c)(4)?  
☒ **Yes.** Complete the remainder of Part I as follows:  
If D is "Yes," use the income statement described in D to complete lines 2 through 5 and 7 through 11.  
If D is "No," use the income statement(s) for the set(s) of books reported on Form 1120-F, Schedule L to complete lines 2 through 5 and 7 through 11.  
☐ **No.** Complete the remainder of Part I as follows:  
If B is "Yes," use the income statement described in B to complete lines 2 through 11.  
If B is "No" and C is "Yes," use the income statement described in C to complete lines 2 through 11.  
If B and C are "No" and D is "Yes," use the income statement described in D to complete lines 2 through 11.  
If B, C, and D are "No," use the income statement described in the instructions to complete lines 2 through 11.

**2a** Enter the income statement period: Beginning 01 / 01 / 2007 Ending 12 / 31 / 2007

- b** Has the corporation's income statement been restated for the income statement period entered on line 2a?  
☐ **Yes.** Attach an explanation and the amount of each item restated.  
☒ **No.**

- c** Has the corporation's income statement been restated for any of the 5 income statement periods preceding the period on line 2a?  
☐ **Yes.** Attach an explanation and the amount of each item restated.  
☒ **No.**

- 3** Is any of the corporation's stock publicly traded on any exchange, U.S. or foreign?  
☒ **Yes.** List exchange(s) and symbol ▶ Stock International  
☐ **No.**

**Note: Annotation of exchange/symbol will not be available in ATS until 12/2/07 – do not use for ATS between 11/5/07 and 12/2/07!**

- 4** Non-consolidated foreign corporation net income (loss) in U.S. dollars from the income statement source identified in line 1

<b>4</b>	<b>1,000,000</b>
<b>5a</b>	
<b>5b</b>	( )
<b>5c</b>	
<b>5d</b>	( )
<b>6</b>	
<b>7a</b>	( )
<b>7b</b>	
<b>8</b>	
<b>9</b>	
<b>10</b>	
<b>11</b>	<b>1,000,000</b>

**5a** Net income from includible disregarded foreign entities not included on line 4 (attach schedule)

**b** Net loss from includible disregarded foreign entities not included on line 4 (attach schedule)

**c** Net income from includible disregarded U.S. entities not included on line 4 (attach schedule)

**d** Net loss from includible disregarded U.S. entities not included on line 4 (attach schedule)

**6** Net income (loss) from foreign locations not included on line 4 (attach schedule)

**7a** Net income of non-includible entities (attach schedule)

**b** Net loss of non-includible entities (attach schedule)

**8** Adjustments to intercompany transactions (attach schedule)

**9** Adjustments to reconcile income statement period to tax year (attach schedule)

**10** Other adjustments to reconcile to amount on line 11 (attach schedule)

**11 Adjusted financial net income (loss) of non-consolidated foreign corporation.** Combine lines 4 through 10

Name of corporation

Employer identification number

**Part II** Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Differences	(c) Permanent Differences	(d) Other Permanent Differences for Allocations to Non-ECI and ECI	(e) Income (Loss) per Return (optional)
<b>1</b> Gross receipts . . . . .					
<b>2</b> Cost of goods sold (attach schedule) . . . . .					
<b>3a</b> Dividends from foreign entities . . . . .					
<b>b</b> Dividends from U.S. entities . . . . .					
<b>c</b> Substitute dividend payments received . . . . .					
<b>4a</b> Interest income excluding interest equivalents . . . . .					
<b>b</b> Substitute interest payments received . . . . .					
<b>c</b> Interest equivalents not included on line 4b . . . . .					
<b>5</b> Gross rental income . . . . .					
<b>6</b> Gross royalty income . . . . .					
<b>7</b> Fee and commission income . . . . .					
<b>8</b> Income (loss) from equity method corporations . . . . .					
<b>9</b> Net income (loss) from U.S. partnerships . . . . .					
<b>10</b> Net income (loss) from certain foreign partnerships (attach schedule) . . . . .					
<b>11</b> Net income (loss) from other pass- through entities (attach schedule) . . . . .					
<b>12</b> Items relating to reportable transactions (attach details) . . . . .					
<b>13</b> Hedging transactions . . . . .					
<b>14a</b> Mark-to-market income (loss) under section 475(a) . . . . .					
<b>b</b> Mark-to-market income (loss) subject to section 475(d)(3)(B) . . . . .					
<b>c</b> Mark-to-market income (loss) under section 475(e) . . . . .					
<b>d</b> Mark-to-market income (loss) under section 475(f) . . . . .					
<b>15</b> Gain (loss) from certain section 988 transactions . . . . .					
<b>16a</b> Interest income from global securities dealing . . . . .					
<b>b</b> Dividends from global securities dealing . . . . .					
<b>c</b> Gains (losses) and other fixed and determinable, annual, or periodic income from global securities dealing not included on lines 16a and 16b . . . . .					
<b>17</b> Sales versus lease (for sellers and/or lessors) . . . . .					
<b>18</b> Section 481(a) adjustments . . . . .					
<b>19</b> Unearned/deferred revenue . . . . .					
<b>20</b> Original issue discount, imputed interest, and phantom income . . . . .					
<b>21a</b> Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities . . . . .					
<b>b</b> Gross capital gains from Schedule D, excluding amounts from pass- through entities . . . . .					

Name of corporation

Employer identification number

**Part II** Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions) (continued from page 2)

Income (Loss) Items	(a) Income (Loss) per Income Statement (optional)	(b) Temporary Differences	(c) Permanent Differences	(d) Other Permanent Differences for Allocations to Non-ECI and ECI	(e) Income (Loss) per Return (optional)
<b>21c</b> Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .					
<b>d</b> Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .					
<b>e</b> Abandonment losses . . . . .					
<b>f</b> Worthless stock losses (attach details) . . . . .					
<b>g</b> Other gain/loss on disposition of assets other than inventory . . . . .					
<b>22</b> Capital loss limitation and carryforward used . . . . .					
<b>23</b> Gross effectively connected income of foreign banks from books that do not give rise to U.S. booked liabilities . . . . .					
<b>24</b> Other income (loss) items with differences (attach schedule) . . . . .					
<b>25</b> <b>Total income (loss) items.</b> Combine lines 1 through 24 . . . . .					
<b>26</b> <b>Total expense/deduction items</b> (from Part III, line 33) . . . . .					
<b>27</b> Other items with no differences . . . . .					
<b>28</b> <b>Reconciliation totals.</b> Combine lines 25 through 27 . . . . .	<b>1,000,000</b>				

Note. Line 28, column (a), must equal the amount on Part I, line 11, and column (e) must equal Form 1120-F, page 3, line 29.

**Part III** Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Differences	(c) Permanent Differences	(d) Other Permanent Differences for Allocations to Non-ECI and ECI	(e) Deduction per Tax Return (optional)
<b>1</b> U.S. current income tax expense . . . . .					
<b>2</b> U.S. deferred income tax expense . . . . .					
<b>3</b> Non-U.S. current income tax expense (other than foreign withholding taxes) . . . . .					
<b>4</b> Non-U.S. deferred income tax expense . . . . .					
<b>5</b> Non-U.S. withholding taxes . . . . .					
<b>6</b> Compensation with section 162(m) limitation . . . . .					
<b>7</b> Salaries and other base compensation . . . . .					
<b>8</b> Stock option expense . . . . .					
<b>9</b> Other equity-based compensation . . . . .					
<b>10</b> Meals and entertainment . . . . .					
<b>11</b> Fines and penalties . . . . .					
<b>12</b> Judgments, damages, awards, and similar costs . . . . .					



Name of corporation

Employer identification number

**Part III Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return** (see instructions) (continued from page 3)

Expense/Deduction Items	(a) Expense per Income Statement (optional)	(b) Temporary Differences	(c) Permanent Differences	(d) Other Permanent Differences for Allocations to Non-ECI and ECI	(e) Deduction per Tax Return (optional)
<b>13</b> Pension and profit-sharing . . . . .					
<b>14</b> Other post-retirement benefits . . . . .					
<b>15</b> Deferred compensation . . . . .					
<b>16</b> Charitable contributions . . . . .					
<b>17</b> Domestic production activities deduction . . . . .					
<b>18</b> Current year acquisition or reorganization investment banking fees, legal and accounting fees . . . . .					
<b>19</b> Current year acquisition/reorganization other costs, . . . . .					
<b>20</b> Amortization/impairment of goodwill . . . . .					
<b>21</b> Amortization of acquisition, reorganization, and start-up costs . . . . .					
<b>22</b> Other amortization and impairment write-offs . . . . .					
<b>23</b> Depreciation . . . . .					
<b>24</b> Bad debt expense . . . . .					
<b>25</b> Purchase versus lease (for purchasers and/or lessees) . . . . .					
<b>26a</b> Interest expense per books . . . . .					
<b>b</b> Interest expense under Regulations section 1.882-5 (from Schedule I (Form 1120-F), line 23) . . . . .					
<b>c</b> Regulations section 1.882-5 allocation amount subject to deferral or disallowance (from Schedule I (Form 1120-F), line 24d) . . . . .			( )		
<b>d</b> U.S. source substitute interest payments . . . . .					
<b>e</b> Interest equivalents (e.g., guarantee fees) not included on line 26d . . . . .					
<b>27</b> U.S. source substitute dividend payments . . . . .					
<b>28</b> Fee and commission expense . . . . .					
<b>29</b> Rental expense . . . . .					
<b>30</b> Royalty expense . . . . .					
<b>31</b> Expenses allocable to effectively connected income under Regulations section 1.861-8 from home office or other books that do not give rise to U.S. booked liabilities (from Schedule H (Form 1120-F), line 21) . . . . .					
<b>32</b> Other expense/deduction items with differences (attach schedule) . . . . .					
<b>33 Total expense/deduction items.</b> Combine lines 1 through 32. Enter here and on Part II, line 26 . . . . .					

**SCHEDULE H  
(Form 1120-F)**Department of the Treasury  
Internal Revenue Service**Deductions Allocated To Effectively Connected  
Income Under Regulations Section 1.861-8**▶ Attach to Form 1120-F.  
▶ See separate instructions.

OMB No. 1545-0126

**2007**Name of corporation  
**RMN Incorporated**Employer identification number  
**11 0000600****Part I Deductions Directly Allocated and Apportioned to ECI and Non-ECI****Note.** Enter all amounts in Part I in only U.S. dollars or in only functional currency. If U.S. dollars, check box ☒. Otherwise, specify currency ▶

1	Total expenses on the books of the home office . . . . .	1	1,000,000		
2	Adjustments for U.S. tax principles (attach schedule - see instructions) . . . . .	2			
3	Total adjusted deductions on the books of the home office. Combine lines 1 and 2 . . . . .	3		1,000,000	
4	Interest expense (included in line 3) . . . . .	4			
5	Bad debt expense (included in line 3) . . . . .	5			
6	Total of interest expense and bad debt expense. Add lines 4 and 5 . . . . .	6			
7	General and administrative deductions included in line 3. Subtract line 6 from line 3 . . . . .	7			
8	Deductions directly allocable to non-effectively connected income from subsidiaries . . . . .	8			
9	Deductions directly allocable to other non-effectively connected income booked in the home country . . . . .	9			
10	Deductions directly allocable to other non-effectively connected income booked in other countries (including the United States) . . . . .	10			
11	Add lines 8 through 10 . . . . .	11			
12	Remaining deductions on the books of the home office allocable under Regulations section 1.861-8. Subtract line 11 from line 7 . . . . .	12			
13	Less: Deductions directly allocated to effectively connected income . . . . .	13			
14	Remaining deductions on the books of the home office indirectly allocable under Regulations section 1.861-8. Subtract line 13 from line 12 . . . . .	14			

**Part II Home Office Deductions Indirectly Allocated and Apportioned to ECI and Non-ECI****Note.** Enter the amounts in Part II, lines 16 through 21, in U.S. dollars.

15	Average exchange rate used to convert allocable deductions to U.S. dollars (see instructions) . . . . .	15			
16	Deductions indirectly allocable under Regulations section 1.861-8. Enter the amount from line 14 in U.S. dollars. If line 14 is stated in functional currency, multiply line 14 by line 15 . . . . .	16			
17	Indirect allocation and apportionment of line 16 amount to ECI (attach computation) . . . . .	17			
18	Deductions directly allocated to ECI from line 13, in U.S. dollars. If stated in foreign currency, multiply line 13 by line 15 . . . . .	18			
19	Total home office deductions allocated to effectively connected income. Add lines 17 and 18 . . . . .	19			
20	Total deductions from other non-U.S. locations allocated and apportioned to effectively connected income . . . . .	20			
21	Total deductions allocated and apportioned to effectively connected income. Add lines 19 and 20 and enter the amount here and on Form 1120F, section II, line 26 . . . . .	21			

**Part III Indirect Allocation and Apportionment Methods and Financial Records****Note.** Enter the amounts in Part III, lines 22a, 22b, 23a, 23b, and 25 (if applicable), in U.S. dollars.

• If one or more methods used are different than in prior year, check box <input type="checkbox"/>					
• If any amount on line 21 is recorded as an interbranch amount on books and records used to prepare Form 1120F, Schedule L, include on Part IV, line 36 and check box <input type="checkbox"/>					
22	Gross Income Ratio:				
a	Effectively connected gross income . . . . .	22a			
b	Worldwide gross income . . . . .	22b			
c	Divide line 22a by line 22b . . . . .	22c			%
23	Gross Asset Ratio:				
a	Average U.S. assets from Schedule I, line 5, column (d) . . . . .	23a			
b	Worldwide assets (if applicable, from Schedule I, line 6b) . . . . .	23b			
c	Divide line 23a by line 23b . . . . .	23c			%
24	Number of Personnel:				
a	Personnel of U.S. trade or business within the United States . . . . .	24a			
b	Worldwide personnel of foreign corporation . . . . .	24b			
c	Divide line 24a by line 24b . . . . .	24c			%
25	Other ratio based methods (attach schedule)				
26	Other methods (e.g., time spent analysis) (attach schedule)				

**Part III Indirect Allocation and Apportionment Methods and Financial Records** *(continued)*

Financial and other records used to identify deductions allocated and apportioned to ECI

	Yes	No
<b>27a</b> Published or other non-public audited financial statements . . . . .		
<b>b</b> Non-audited financial statements . . . . .		
<b>28</b> Home office management or other departmental cost accounting reports . . . . .		
<b>29</b> Other (e.g., home country regulatory reports) (attach schedule) . . . . .		

**Part IV Allocation and Apportionment of Deductions on Books and Records Used to Prepare Form 1120F, Schedule L****Note.** Enter all amounts in Part IV in U.S. dollars.

<b>30</b> Total expenses per books and records used to prepare Form 1120F, Schedule L . . . . .	<b>30</b>	
<b>31</b> Adjustments for U.S. tax principles (attach schedule - see instructions) . . . . .	<b>31</b>	
<b>32</b> Total deductions per line 30 books and records. Combine lines 30 and 31 . . . . .	<b>32</b>	
<b>33a</b> Third party interest expense per books and records . . . . .	<b>33a</b>	
<b>b</b> Interbranch interest expense per books and records . . . . .	<b>33b</b>	
<b>34</b> Bad debt expense per books and records . . . . .	<b>34</b>	
<b>35</b> Other third party deductions not allocable (attach schedule) . . . . .	<b>35</b>	
<b>36</b> Interbranch expenses per books not included on line 33b (attach schedule) . . . . .	<b>36</b>	
<b>37</b> Add lines 33a through 36 . . . . .	<b>37</b>	
<b>38</b> Deductions on books and records allocable and apportionable under Regulations section 1.861-8. Subtract line 37 from line 30 . . . . .	<b>38</b>	

Reconciliation of allocable expenses on books under Reg. 1.861-8 (from line 38)	(a) ECI Amounts	(b) Non-ECI Amounts	(c) Total: Add columns (a) and (b)
<b>39a</b> Derivative transaction deductions directly allocated under section 1.861-8 (from line 38) . . . . .	<b>39a</b>		
<b>b</b> Other deductions directly allocated and apportioned . . . . .	<b>39b</b>		
<b>40</b> Total expenses directly allocated and apportioned. Add lines 39a and 39b . . . . .	<b>40</b>		
<b>41</b> Deductions on books and records indirectly allocated and apportioned . . . . .	<b>41</b>		
<b>42</b> Total deductions allocated and apportioned. Add lines 40 and 41. Column (c) must equal line 38 . . . . .	<b>42</b>		

**Note.** Line 42, column (a) is the total of the deductions reported on Form 1120F, Section II, lines 12, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24, 25, and 27.



**SCHEDULE I**  
**(Form 1120-F)**

Department of the Treasury  
Internal Revenue Service

Name of corporation

**RMN Incorporated**

**Interest Expense Allocation Under Regulations**  
**Section 1.882-5**

▶ Attach to Form 1120-F.  
▶ See separate instructions.

OMB No. 1545-0126

**2007**

Employer identification number

**11 0000600**

- A.** Check here if the corporation is a foreign bank as defined in Temporary Regulations section 1.882-5T(c)(4) . . . . . ☐
- B.** This Schedule I is being completed with respect to (check one):
- ☒ Adjusted U.S. booked liabilities method under Regs. sec. 1.882-5(d). **Complete lines 1 through 15 and 21 through 25.**
- ☐ Separate currency pools method under Regs. sec. 1.882-5(e). **Complete lines 1 through 9 and 16a through 25.**

**Step 1 Average U.S. Assets for the Tax Year: Regulations Section 1.882-5(b)**

	(a) Set(s) of Books that Give Rise to U.S. Booked Liabilities (see inst.)	(b) Partnership Interests	(c) Set(s) of Books Other than those Described in Columns (a) and (b)	(d) Totals. Add columns (a) through (c)
<b>1</b> Specify the method used to determine the value of the corporation's U.S. assets on lines 2 through 5 below (check one):				
<input type="checkbox"/> Adjusted basis method: Regs. sec. 1.882-5(b)(2)(i)				
<input checked="" type="checkbox"/> Fair market value method: Temp. Regs. sec. 1.882-5T(b)(2)(ii)				
<b>2</b> Total assets per books . . . . .	<b>33,000,000</b>			
<b>3a</b> Total interbranch assets . . . . .	<b>1,000,000</b>			
<b>b</b> Total non-ECI assets under section 864(c)(4)(D) . . . . .	<b>1,000,000</b>			
<b>c</b> Total other non-ECI assets . . . . .				
<b>d</b> Adjustments for amounts from partnerships and certain disregarded entities included on line 2, column (a) . . . . .				
<b>e</b> Adjustments for assets that give rise to direct interest expense allocations under Regs. sec. 1.882-5(a)(1)(ii) . . . . .				
<b>f</b> Other adjustments to average assets included in line 2 (e.g., mark-to-market differences) . . . . .				
<b>4</b> Combine lines 3a through 3f . . . . .	<b>2,000,000</b>			
<b>5</b> Total value of U.S. assets for the tax year . . . . .	<b>31,000,000</b>	<b>13,000,000</b>		<b>44,000,000</b>
<b>Column (a):</b> Subtract line 4 from line 2.				
<b>Column (b):</b> Enter total from Schedule P, line 19.				
<b>Column (c):</b> See instructions for amount to enter.				

**Step 2 U.S.-Connected Liabilities for the Tax Year: Regulations Section 1.882-5(c)**

**6** Specify the method used to determine the amounts in Part II (check one):

☐ Actual ratio under Regs. sec. 1.882-5(c)(2). **Complete lines 6a through 6c below.**

☒ Fixed ratio under Temp. Regs. sec. 1.882-5T(c)(4). **Complete line 6d below.**

<b>a</b> Average worldwide liabilities . . . . .		
<b>b</b> Average worldwide assets . . . . .		
<b>c</b> Divide line 6a by line 6b . . . . .		
<b>d</b> Fixed ratio under Temp. Regs. sec. 1.882-5T(c)(4). If the corporation is a foreign bank as defined in Temp. Regs. sec. 1.882-5T(c)(4), enter 95% on line 6d. If the corporation is not a foreign bank, enter 50% on line 6d . . . . .	<b>50</b>	<b>%</b>
<b>e</b> Enter the ratio from line 6c or 6d, as applicable . . . . .	<b>50</b>	<b>%</b>
<b>7a</b> U.S.-connected liabilities before Regs. sec. 1.884-1(e)(3) election(s). Multiply line 5, column (d) by line 6e . . . . .		<b>22,000,000</b>
<b>b</b> Total amount of U.S. liability reduction under Regs. sec. 1.884-1(e)(3) election(s) . . . . .		<b>11,000,000</b>
<b>c</b> <b>U.S.-Connected Liabilities.</b> Subtract line 7b from line 7a . . . . .		<b>11,000,000</b>

**Step 3 Interest Expense Paid or Accrued on Average U.S. Booked Liabilities: Regulations Section 1.882-5(d)**

	(a) Set(s) of Books that Give Rise to U.S. Booked Liabilities (see inst.)	(b) Partnership Interests	(c) Totals. Add columns (a) and (b)
<b>8</b> Total average amount of U.S. booked liabilities as defined in Regs. sec. 1.882-5(d)(2) (see instructions) . . . . .	<b>11,000,000</b>		<b>11,000,000</b>
<b>Column (a):</b> Do not include amounts that give rise to directly allocable interest under Regs. sec. 1.882-5(a)(1)(ii) or from partnerships includible in column (b).			
<b>Column (b):</b> Enter the total from Schedule P, line 17.			
<b>9</b> Total interest paid or accrued during the tax year on line 8 amount . . . . .			
<b>Column (a):</b> Do not include amounts that give rise to directly allocable interest under Regs. sec. 1.882-5(a)(1)(ii) or from partnerships includible in column (b).			
<b>Column (b):</b> Enter the total from Schedule P, line 14c			

**Step 3 (cont.) Adjusted U.S. Booked Liabilities Method: Regulations Section 1.882-5(d)**

If line 7 is greater than line 8, complete lines 10 through 13 below and skip lines 14a and 14b.

If line 7 is less than or equal to line 8, skip lines 10 through 13 and complete lines 14a and 14b.

<b>10</b>	If the corporation is a foreign bank which is making a current-year election to use the published average 30-day LIBOR (see instructions), check the box on this line, skip lines 10a through 10c, and enter the rate on line 10d <input type="checkbox"/>		
<b>a</b>	Total interest paid or accrued during the tax year on U.S. dollar liabilities that are <b>not</b> U.S. booked liabilities included on line 8	<b>10a</b>	
<b>b</b>	Average U.S. dollar denominated liabilities that are <b>not</b> U.S. booked liabilities included on line 8	<b>10b</b>	
<b>c</b>	Divide line 10a by line 10b	<b>10c</b>	%
<b>d</b>	Enter the 30-day LIBOR rate, if elected under Temp. Regs. sec. 1.882-5T(d)(5)(ii)(B)	<b>10d</b>	%
<b>e</b>	Enter the rate from line 10c or, if elected, the 30-day LIBOR rate on line 10d	<b>10e</b>	%
<b>11</b>	<b>Excess U.S.-connected liabilities.</b> Subtract line 8 from line 7c	<b>11</b>	
<b>12</b>	<b>Excess interest.</b> Multiply line 10e by line 11	<b>12</b>	
<b>13</b>	Add lines 9, column (c) and 12	<b>13</b>	
<b>14a</b>	<b>Scaling ratio.</b> Divide line 7c by line 8, column (c)	<b>14a</b>	2 %
<b>b</b>	Multiply line 9, column (c) by line 14a. See instructions for hedging amounts	<b>14b</b>	300,000 00
<b>15</b>	<b>Interest expense allocable to ECI under the adjusted U.S. booked liabilities method.</b> Enter the result from line 13 or line 14b here and on line 21	<b>15</b>	6,000 00

**Step 3 (cont.) Separate Currency Pools Method: Regulations Section 1.882-5(e)**

	(a) U.S. Dollar Denominated	(b) Home Country Currency. Specify:	(c) Other Currency. Specify:	(d) Other Currency. Specify:
<b>16a</b>	<b>U.S. assets.</b> Enter the corporation's U.S. assets, using the methodology in Regs. sec. 1.882-5(e)(1)(i). If more columns are needed, attach schedule (see instructions)			
<b>b</b>	Check here if a less than 3% currency election was made <input type="checkbox"/>			
<b>17a</b>	Enter the percentage from line 6e	%	%	%
<b>b</b>	<b>U.S.-connected liabilities.</b> Multiply line 16a by line 17a, or, if a liability reduction election is made, see instructions			
<b>18a</b>	Enter the total interest expense paid or accrued for the tax year with respect to the foreign corporation's worldwide liabilities denominated in that foreign currency (enter in functional currency)			
<b>b</b>	Enter the corporation's average worldwide liabilities (whether interest bearing or not) denominated in that foreign currency (enter in functional currency)			%
<b>c</b>	<b>Borrowing rate:</b> Divide line 18a by line 18b	%	%	%
<b>19</b>	<b>Interest expense allocation by separate currency pool.</b> Multiply line 17b by line 18c			
<b>20</b>	<b>Interest expense allocable to ECI under the separate currency pools method.</b> Total the amounts on line 19, columns (a) through (d), and amounts from attached schedule, if any, and enter the result here and on line 21			

**SUMMARY—Interest Expense Allocation and Deduction under Regulations Section 1.882-5**

<b>21</b>	Amount from line 15 or line 20, as applicable	<b>21</b>	6,000	00
<b>22</b>	Enter the corporation's interest expense directly allocable under Temp. Regs. sec. 1.882-5T(a)(1)(ii). (Include total from Schedule P, line 14b.)	<b>22</b>	1,000,000	00
<b>23</b>	<b>Interest expense allocable to ECI under Regs. sec. 1.882-5.</b> Add lines 21 and 22	<b>23</b>	1,006,000	00
<b>24a</b>	Amount of line 23 that is disallowed as a deduction under section 265 or under an income tax treaty (attach schedule—see instructions)	<b>24a</b>	( )	
<b>b</b>	Deferred interest expense under section 163(e)(3), 163(j), or 267(a)(3) (attach schedule—see instructions)	<b>24b</b>		
<b>c</b>	Amount of line 23 that is capitalized under section 263A (attach schedule—see instructions)	<b>24c</b>	( )	
<b>d</b>	Combine lines 24a through 24c	<b>24d</b>		
<b>25</b>	<b>Total interest expense deduction under Regs. sec. 1.882-5.</b> Combine lines 23 and 24d and enter here and on Form 1120F, Section II, line 18. The amount entered on line 25 may not exceed the total interest expense paid or accrued by the foreign corporation	<b>25</b>	1,006,000	00

**SCHEDULE P  
(Form 1120-F)**

Department of the Treasury  
Internal Revenue Service

**List of Foreign Partner Interests in Partnerships**

- Attach to Form 1120-F.  
► See separate instructions.

OMB No. 1545-0126

**2007**

Name of corporation (foreign partner)

**RMN Incorporated**

Employer identification number

**11 0000600**

**Part I—List of Foreign Partner Interests in Partnerships**

Name	Address	EIN
<b>A ABC Financial Services</b>	<b>200 Sycamore Street, Sydney, Australia 3000</b>	<b>11-0000900</b>
<b>B DEF Financial Services</b>	<b>123 Sea Street, Sydney, Australia 3000</b>	<b>11-0000901</b>
<b>C GHI Financial Services</b>	<b>4000 London Street, Sydney, Australia 3000</b>	<b>11-0000902</b>
<b>D</b>		
<b>E</b>		

**Note:** If corporation has more than 5 partnership interests, continue on separate page. See instructions.

**Part II—Foreign Partner Income and Expenses: Reconciliation to Schedule K-1 (Form 1065)**

Schedules K-1

	A	B	C	D	E	Total
<b>1</b> Total income reported on lines 1 through 3, Schedule K-1 . . . . .	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>			<b>9,000,000</b>
<b>2</b> Gross income included on lines 1 through 3, Schedule K-1 . . . . .						
<b>3</b> Gross effectively connected income on lines 1 through 3, Schedule K-1 . . . . .						
<b>4</b> Other non-interest expense included on lines 1 through 3, Schedule K-1 . . . . .						
<b>5</b> Non-interest expenses on lines 1 through 3, Schedule K-1, allocated to gross ECI . . . . .						
<b>6</b> Other gross income reported on Schedule K-1 . . . . .						
<b>7</b> Other gross ECI reported on Schedule K-1 . . . . .						
<b>8</b> Other non-interest expenses reported on Schedule K-1 . . . . .						
<b>9</b> Other non-interest expenses reported on Schedule K-1 allocated to ECI . . . . .						
<b>10 Total gross income.</b> Add lines 2 and 6 . . . . .						
<b>11 Total gross effectively connected income.</b> Add lines 3 and 7 . . . . .						
<b>12</b> Interest expense included on lines 1 through 3, Schedule K-1 . . . . .						
<b>13</b> Other interest expense reported on Schedule K-1, lines 13 and 18 . . . . .						
<b>14a Total interest expense.</b> Add lines 12 and 13 . . . . .						
<b>b</b> Interest expense directly allocable under Reg. 1.882-5(a)(1)(ii)(B). ( <b>Note:</b> Include the line 14b total on Schedule I, line 22.) . . . . .						
<b>c</b> Subtract line 14b from line 14a. ( <b>Note:</b> Enter the line 14c total on Schedule I, line 9, column (b).) . . . . .						



**Part III—Foreign Partner’s Average Outside Basis Under Regulations sections 1.882-5(b) and 1.884-1(d)(3)**

Schedules K-1

	A	B	C	D	E	Total
<b>15</b> Section 705 outside basis . . . . .						
<b>16a</b> Partner’s liabilities included in outside basis under section 752 that give rise to directly allocable interest expense under Reg. 1.882-5(a)(1)(ii)(B) . . . . .						
<b>b</b> All other liabilities included in partner’s outside basis under section 752 . . . . .						
<b>c</b> Add lines 16a and 16b . . . . .						
<b>d</b> Subtract line 16c from line 15 . . . . .						
<b>17</b> Partner’s liabilities under Regulations section 1.884-1(d)(3)(vi). ( <b>Note:</b> Enter the line 17 total on Schedule I, line 8, column (b).) . . . . .						
<b>18 Partner’s outside basis under Regulations section 1.884-1(d)(3)(vi).</b> Add lines 16d and 17 . . . . .						
<b>19</b> Partner’s outside basis allocable to ECI under Regulations section 1.884-1(d)(3)(i). ( <b>Note:</b> Enter the line 19 total on Schedule I, line 5, column (b).) . . . . .						
<b>20</b> Enter “income” or “asset” to indicate the allocation method used on line 19 (see instructions) . . . . .						

Form **3800**Department of the Treasury  
Internal Revenue Service (99)  
Name(s) shown on return**General Business Credit**

- See separate instructions.  
► Attach to your tax return.

OMB No. 1545-0895

**2007**Attachment  
Sequence No. **22****RMN Incorporated**

Identifying number

**11-0000600****Part I Current Year Credit**

**Important:** You may not be required to complete and file a separate credit form (shown in parentheses below) to claim the credit. For details, see the instructions.

<b>1a</b> Investment credit (attach Form 3468)	<b>1a</b>		
<b>b</b> Welfare-to-work credit (Form 8861)	<b>1b</b>		
<b>c</b> Credit for increasing research activities (Form 6765)	<b>1c</b>	<b>20,000</b>	<b>00</b>
<b>d</b> Low-income housing credit (Form 8586) (enter EIN if claiming this credit from a pass-through entity: _____)	<b>1d</b>		
<b>e</b> Disabled access credit (Form 8826) (do not enter more than \$5,000)	<b>1e</b>		
<b>f</b> Renewable electricity production credit (Form 8835, Section A only)	<b>1f</b>		
<b>g</b> Indian employment credit (Form 8845)	<b>1g</b>		
<b>h</b> Orphan drug credit (Form 8820)	<b>1h</b>		
<b>i</b> New markets credit (Form 8874) (enter EIN if claiming this credit from a pass-through entity: _____)	<b>1i</b>		
<b>j</b> Credit for small employer pension plan startup costs (Form 8881) (do not enter more than \$500)	<b>1j</b>		
<b>k</b> Credit for employer-provided child care facilities and services (Form 8882) (enter EIN if claiming this credit from a pass-through entity: _____)	<b>1k</b>		
<b>l</b> Qualified railroad track maintenance credit (Form 8900)	<b>1l</b>		
<b>m</b> Biodiesel and renewable diesel fuels credit (attach Form 8864)	<b>1m</b>		
<b>n</b> Low sulfur diesel fuel production credit (Form 8896)	<b>1n</b>		
<b>o</b> Distilled spirits credit (Form 8906)	<b>1o</b>		
<b>p</b> Nonconventional source fuel credit (Form 8907)	<b>1p</b>		
<b>q</b> Energy efficient home credit (Form 8908)	<b>1q</b>		
<b>r</b> Energy efficient appliance credit (Form 8909)	<b>1r</b>		
<b>s</b> Alternative motor vehicle credit (Form 8910)	<b>1s</b>		
<b>t</b> Alternative fuel vehicle refueling property credit (Form 8911)	<b>1t</b>		
<b>u</b> Hurricane Katrina housing credit (only from S corporations, partnerships, estates, and cooperatives)	<b>1u</b>		
<b>v</b> Mine rescue team training credit (Form 8923)	<b>1v</b>		
<b>w</b> Credit for contributions to selected community development corporations (Form 8847)	<b>1w</b>		
<b>x</b> General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	<b>1x</b>		
<b>2</b> Add lines 1a through 1x	<b>2</b>		
<b>3</b> Passive activity credits included on line 2 (see instructions)	<b>3</b>		
<b>4</b> Subtract line 3 from line 2	<b>4</b>		
<b>5</b> Passive activity credits allowed for 2007 (see instructions)	<b>5</b>		
<b>6</b> Carryforward of general business credit to 2007. See instructions for the schedule to attach	<b>6</b>		
<b>7</b> Carryback of general business credit from 2008 (see instructions)	<b>7</b>		
<b>8 Current year credit.</b> Add lines 4 through 7	<b>8</b>		

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 12392F

Form **3800** (2007)

**Part II Allowable Credit**

<b>9</b> Regular tax before credits:			
<ul style="list-style-type: none"> <li>Individuals. Enter the amount from Form 1040, line 44 or Form 1040NR, line 41 .</li> <li>Corporations. Enter the amount from Form 1120, Schedule J, line 2; or the applicable line of your return . . . . .</li> <li>Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return . . . . .</li> </ul>		<b>9</b>	
<b>10</b> Alternative minimum tax:			
<ul style="list-style-type: none"> <li>Individuals. Enter the amount from Form 6251, line 35 . . . . .</li> <li>Corporations. Enter the amount from Form 4626, line 14 . . . . .</li> <li>Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56 . . . . .</li> </ul>		<b>10</b>	
<b>11</b> Add lines 9 and 10 . . . . .		<b>11</b>	
<b>12a</b> Credits from Form 1040, lines 47 through 50 and lines 52 through 54 (or Form 1040NR, lines 44, 45, and 47 through 49) . . . . .		<b>12a</b>	
<b>b</b> Foreign tax credit . . . . .		<b>12b</b>	
<b>c</b> Credits from Forms 5735 and 8834 . . . . .		<b>12c</b>	
<b>d</b> Non-business alternative motor vehicle credit (Form 8910, line 18) . . . . .		<b>12d</b>	
<b>e</b> Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19) . . . . .		<b>12e</b>	
<b>f</b> Add lines 12a through 12e . . . . .		<b>12f</b>	
<b>13 Net income tax.</b> Subtract line 12f from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18 . . . . .		<b>13</b>	
<b>14 Net regular tax.</b> Subtract line 12f from line 9. If zero or less, enter -0- . . . . .		<b>14</b>	
<b>15</b> Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions) . . . . .		<b>15</b>	
<b>16</b> Tentative minimum tax:			
<ul style="list-style-type: none"> <li>Individuals. Enter the amount from Form 6251, line 33 . . . . .</li> <li>Corporations. Enter the amount from Form 4626, line 12 . . . . .</li> <li>Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54 . . . . .</li> </ul>		<b>16</b>	
<b>17</b> Enter the greater of line 15 or line 16 . . . . .		<b>17</b>	
<b>18</b> Subtract line 17 from line 13. If zero or less, enter -0- . . . . .		<b>18</b>	
<b>19 Credit allowed for the current year.</b> Enter the <b>smaller</b> of line 8 or line 18. <b>Individuals, estates, and trusts:</b> See the instructions for line 19 if claiming the research credit. <b>C corporations:</b> See the line 19 instructions if there has been an ownership change, acquisition, or reorganization. Report the amount from line 19 (if smaller than line 8, see instructions) as indicated below or on the applicable line of your return:			
<ul style="list-style-type: none"> <li>Individuals. Form 1040, line 55 or Form 1040NR, line 50 . . . . .</li> <li>Corporations. Form 1120, Schedule J, line 5c . . . . .</li> <li>Estates and trusts. Form 1041, Schedule G, line 2c . . . . .</li> </ul>		<b>19</b>	



**Credit for Increasing Research Activities**

▶ Attach to your tax return.

**RMN Incorporated**

Identifying number

**11-0000600****Section A—Regular Credit.** Skip this section and go to Section B or C if you are electing or previously elected (and are not revoking) the alternative incremental credit or the alternative simplified credit, respectively.

1	Certain amounts paid or incurred to energy consortia (see instructions)	1	20,000	00
2	Basic research payments to qualified organizations (see instructions)	2		
3	Qualified organization base period amount	3		
4	Subtract line 3 from line 2. If zero or less, enter -0-	4		
5	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	5		
6	Cost of supplies	6		
7	Rental or lease costs of computers (see instructions)	7		
8	Enter the applicable percentage of contract research expenses (see instructions)	8		
9	Total qualified research expenses. Add lines 5 through 8	9		
10	Enter fixed-base percentage, but not more than 16% (see instructions)	10		%
11	Enter average annual gross receipts (see instructions)	11		
12	Multiply line 11 by the percentage on line 10	12		
13	Subtract line 12 from line 9. If zero or less, enter -0-	13		
14	Multiply line 9 by 50% (.50)	14		
15	Enter the <b>smaller</b> of line 13 or line 14	15		
16	Add lines 1, 4, and 15	16		
17	Are you electing the reduced credit under Section 280C? ▶ Yes <input type="checkbox"/> No <input type="checkbox"/>	17		
If "Yes," multiply line 16 by 13% (.13). If "No," multiply line 16 by 20% (.20) and see the instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached				

**Section B—Alternative Incremental Credit.** Skip this section if you are completing Section A or C.

18	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)	18		
19	Basic research payments to qualified organizations (see the line 2 instructions)	19		
20	Qualified organization base period amount (see the line 3 instructions)	20		
21	Subtract line 20 from line 19. If zero or less, enter -0-	21		
22	Add lines 18 and 21	22		
23	Multiply line 22 by 20% (.20)	23		
24	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	24		
25	Cost of supplies	25		
26	Rental or lease costs of computers (see the line 7 instructions)	26		
27	Enter the applicable percentage of contract research expenses (see the line 8 instructions)	27		
28	Total qualified research expenses. Add lines 24 through 27	28		
29	Enter average annual gross receipts (see the line 11 instructions)	29		
30	Multiply line 29 by 1% (.01)	30		
31	Subtract line 30 from line 28. If zero or less, enter -0-	31		
32	Multiply line 29 by 1.5% (.015)	32		
33	Subtract line 32 from line 28. If zero or less, enter -0-	33		
34	Subtract line 33 from line 31	34		
35	Multiply line 29 by 2% (.02)	35		
36	Subtract line 35 from line 28. If zero or less, enter -0-	36		
37	Subtract line 36 from line 33	37		

**Section B—Alternative Incremental Credit** (continued)

<b>38</b>	Multiply line 34 by 3% (.03)	<b>38</b>		
<b>39</b>	Multiply line 37 by 4% (.04)	<b>39</b>		
<b>40</b>	Multiply line 36 by 5% (.05)	<b>40</b>		
<b>41</b>	Add lines 23, 38, 39, and 40	<b>41</b>		
<b>42</b>	Are you electing the reduced credit under Section 280C? ► Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 41 by 65% (.65). If "No," enter the amount from line 41 and see the line 17 instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached.	<b>42</b>		

**Section C—Alternative Simplified Credit.** Skip this section if you are completing Section A or B.

<b>43</b>	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)	<b>43</b>		
<b>44</b>	Basic research payments to qualified organizations (see the line 2 instructions)	<b>44</b>		
<b>45</b>	Qualified organization base period amount (see the line 3 instructions)	<b>45</b>		
<b>46</b>	Subtract line 45 from line 44. If zero or less, enter -0-	<b>46</b>		
<b>47</b>	Add lines 43 and 46	<b>47</b>		
<b>48</b>	Multiply line 47 by 20% (.20)	<b>48</b>		
<b>49</b>	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	<b>49</b>		
<b>50</b>	Cost of supplies	<b>50</b>		
<b>51</b>	Rental or lease costs of computers (see the line 7 instructions)	<b>51</b>		
<b>52</b>	Enter the applicable percentage of contract research expenses (see the line 8 instructions)	<b>52</b>		
<b>53</b>	Total qualified research expenses. Add lines 49 through 52	<b>53</b>		
<b>54</b>	Enter your total qualified research expenses for the prior 3 tax years. If you had no qualified research expenses in any one of those years, skip lines 55 and 56	<b>54</b>		
<b>55</b>	Divide line 54 by 6.0	<b>55</b>		
<b>56</b>	Subtract line 55 from line 53. If zero or less, enter -0-	<b>56</b>		
<b>57</b>	Multiply line 56 by 12% (.12). If you skipped lines 55 and 56, multiply line 53 by 6% (.06)	<b>57</b>		
<b>58</b>	Add lines 48 and 57	<b>58</b>		
<b>59</b>	Are you electing the reduced credit under Section 280C? ► Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 58 by 65% (.65). If "No," enter the amount from line 58 and see the line 17 instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached.	<b>59</b>		

**Section D—Summary**

<b>60</b>	Credit for increasing research activities from partnerships, S corporations, estates, and trusts	<b>60</b>		
<b>61</b>	Add line 17, line 42, or line 59 (whichever applies) to line 60. Estates and trusts go to line 62; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on line 1c of Form 3800	<b>61</b>		
<b>62</b>	Amount allocated to beneficiaries of the estate or trust (see instructions)	<b>62</b>		
<b>63</b>	Estates and trusts: subtract line 62 from line 61. Report the credit on line 1c of Form 3800	<b>63</b>		

**Information Return of a 25% Foreign-Owned U.S. Corporation  
or a Foreign Corporation Engaged in a U.S. Trade or Business**  
(Under Sections 6038A and 6038C of the Internal Revenue Code)For tax year of the reporting corporation beginning 01/01/07 and ending 12/31/07

Note. Enter all information in English and money items in U.S. dollars.

OMB No. 1545-0805

**Part I Reporting Corporation** (see instructions). All reporting corporations must complete Part I.

<b>1a</b> Name of reporting corporation <b>RMN Incorporated</b>		<b>1b</b> Employer identification number <b>11 000600</b>	
Number, street, and room or suite no. (if a P.O. box, see instructions) <b>1234 Main Street</b>		<b>1c</b> Total assets	
City or town, state, and ZIP code (If a foreign address, see instructions.) <b>Sydney, Australia 3000</b>		\$ <b>45,000,000</b>	
<b>1d</b> Principal business activity ▶ <b>Financial Investment</b>		<b>1e</b> Principal business activity code ▶ <b>523900</b>	
<b>1f</b> Total value of gross payments made or received (see instructions) reported on this Form 5472 \$ <b>2,000,000</b>		<b>1g</b> Total number of Forms 5472 filed for the tax year <b>1</b>	
<b>1h</b> Total value of gross payments made or received (see instructions) reported on all Forms 5472 \$ <b>2,000,000</b>			
<b>1i</b> Check here if this is a consolidated filing of Form 5472 . . . . . <input type="checkbox"/>	<b>1j</b> Country of incorporation <b>Australia</b>	<b>1k</b> Country(ies) under whose laws the reporting corporation files an income tax return as a resident <b>Australia</b>	<b>1l</b> Principal country(ies) where business is conducted <b>Australia</b>
<b>2</b> Check here if, at any time during the tax year, any foreign person owned, directly or indirectly, at least 50% of (a) the total voting power of all classes of the stock of the reporting corporation entitled to vote, or (b) the total value of all classes of stock of the reporting corporation . . . . . <input checked="" type="checkbox"/>			

**Part II 25% Foreign Shareholder** (see instructions)

<b>1a</b> Name and address of direct 25% foreign shareholder <b>RLO Finance Group, 6 Rue de la Taxes, Paris, France 01234</b>		<b>1b</b> U.S. identifying number, if any <b>None</b>	
<b>1c</b> Principal country(ies) where business is conducted <b>France</b>	<b>1d</b> Country of citizenship, organization, or incorporation <b>France</b>	<b>1e</b> Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>France</b>	
<b>2a</b> Name and address of direct 25% foreign shareholder		<b>2b</b> U.S. identifying number, if any	
<b>2c</b> Principal country(ies) where business is conducted	<b>2d</b> Country of citizenship, organization, or incorporation	<b>2e</b> Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident	
<b>3a</b> Name and address of ultimate indirect 25% foreign shareholder		<b>3b</b> U.S. identifying number, if any	
<b>3c</b> Principal country(ies) where business is conducted	<b>3d</b> Country of citizenship, organization, or incorporation	<b>3e</b> Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	
<b>4a</b> Name and address of ultimate indirect 25% foreign shareholder		<b>4b</b> U.S. identifying number, if any	
<b>4c</b> Principal country(ies) where business is conducted	<b>4d</b> Country of citizenship, organization, or incorporation	<b>4e</b> Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	

**Part III Related Party** (see instructions)Check applicable box: Is the related party a ☒ foreign person or ☐ U.S. person?

All reporting corporations must complete this question and the rest of Part III.

<b>1a</b> Name and address of related party <b>Viva Financial, Rue de la Rue, 100, Paris, France 01234</b>		<b>1b</b> U.S. identifying number, if any <b>None</b>	
<b>1c</b> Principal business activity ▶ <b>Financial Investment</b>		<b>1d</b> Principal business activity code ▶ <b>523900</b>	
<b>1e</b> Relationship—Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input checked="" type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder			
<b>1f</b> Principal country(ies) where business is conducted <b>France</b>		<b>1g</b> Country(ies) under whose laws the related party files an income tax return as a resident <b>France</b>	



**Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party** (see instructions)**Caution:** *Part IV must be completed if the "foreign person" box is checked in the heading for Part III.*If estimates are used, check here ☐

1	Sales of stock in trade (inventory)	1	500,000
2	Sales of tangible property other than stock in trade	2	
3	Rents and royalties received (for other than intangible property rights)	3	
4	Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	4	
5	Consideration received for technical, managerial, engineering, construction, scientific, or like services	5	
6	Commissions received	6	
7	Amounts borrowed (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶	7b	
8	Interest received	8	
9	Premiums received for insurance or reinsurance	9	
10	Other amounts received (see instructions)	10	
11	<b>Total.</b> Combine amounts on lines 1 through 10	11	500,000
12	Purchases of stock in trade (inventory)	12	500,000
13	Purchases of tangible property other than stock in trade	13	
14	Rents and royalties paid (for other than intangible property rights)	14	
15	Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	15	
16	Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16	
17	Commissions paid	17	
18	Amounts loaned (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶	18b	
19	Interest paid	19	
20	Premiums paid for insurance or reinsurance	20	
21	Other amounts paid (see instructions)	21	
22	<b>Total.</b> Combine amounts on lines 12 through 21	22	500,000

**Part V Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party** (see instructions)Describe these transactions on an attached separate sheet and check here. ☐**Part VI Additional Information**

All reporting corporations must complete Part VI.

1	Does the reporting corporation import goods from a foreign related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2a	If "Yes," is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "No," do not complete b and c below.		
b	If "Yes," attach a statement explaining the reason or reasons for such difference.	
c	If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New****New filing address.** The IRS has changed the filing address for duplicate Forms 5472. See *When and Where To File* on page 3.**Purpose of Form**

Use Form 5472 to provide information required under sections 6038A and 6038C when reportable transactions occur during the tax year of a reporting corporation with a foreign or domestic related party.

**Definitions****Reporting corporation.** A reporting corporation is either:

- A 25% foreign-owned U.S. corporation **or**
- A foreign corporation engaged in a trade or business within the United States.

**25% foreign owned.** A corporation is 25% foreign owned if it has at least one direct or indirect 25% foreign shareholder at any time during the tax year.**25% foreign shareholder.** Generally, a foreign person (defined on page 3) is a 25% foreign shareholder if the person owns, directly or indirectly, at least 25% of either:

- The total voting power of all classes of stock entitled to vote **or**
- The total value of all classes of stock of the corporation.

The constructive ownership rules of section 318 apply with the following modifications to determine if a corporation is 25% foreign owned. Substitute "10%" for "50%" in section 318(a)(2)(C). Do not apply sections 318(a)(3)(A), (B), and (C) so as to consider a U.S. person as owning stock that is owned by a foreign person.

**Related party.** A related party is:

- Any direct or indirect 25% foreign shareholder of the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to a 25% foreign shareholder of the reporting corporation **or**

- Any other person who is related to the reporting corporation within the meaning of section 482 and the related regulations.

"Related party" does not include any corporation filing a consolidated Federal income tax return with the reporting corporation.

The rules in section 318 apply to the definition of related party with the modifications listed under the definition of *25% foreign shareholder* above.**Reportable transaction.** A reportable transaction is:

- Any type of transaction listed in Part IV (e.g., sales, rents, etc.) for which monetary consideration (including U.S. and foreign currency) was the sole consideration paid or received during the reporting corporation's tax year **or**

- Any transaction or group of transactions listed in Part IV, if:

1. Any part of the consideration paid or received was not monetary consideration **or**
2. If less than full consideration was paid or received.



The following are attachments (dependencies) to the Form 1120-F as required by the form or instructions. Your software should contain XML formats for these with file names matching what is displayed on the top of each of the following pages.

The XML schema has been formatted per IRS' instructions (e.g., free-flowing format, columnar fields, etc.). *Note that the samples are brief for testing purposes and do not represent actual data that would be on a return.*

# Explanation on Accounting Method Change From Prior Year Statement

Form 1120-F, Item “H”, Page 1

We changed our method of accounting from cash to accrual.

## Recognized Interbranch Amounts

Form 1120-F, Item “Y(2)”, Page 2

RMN has the following interbranch amounts:

1,000.00

1,000.00

1,000.00

3,000.00



U.S. Net Equity Beginning of TY2007

Form 1120-F

Part I, Branch Profits Tax, Line 4a (Page 5)

(Follow 1120-F instructions on constructing this schedule)

U.S. Net Equity End of TY2007

Form 1120-F

Part I, Branch Profits Tax, Line 4b (Page 5)

(Follow 1120-F instructions on constructing this schedule)

## **NOTE ON FORM 1120-F TEST SCENARIO 2**

**TEST SCENARIO 2 FOR FORM 1120-F  
WILL BE BASED ON 2007v1.1 SCHEMAS  
AND WILL BE ADDED TO PUBLICATION  
4162 BY **NOVEMBER 12, 2007**. THIS  
WILL ALLOW IRS TIME TO TEST  
2007V1.1 SCHEMAS AND MAKE ANY  
CORRECTIONS PRIOR TO ATS TESTING  
FOR 2007v1.1 WHICH BEGINS  
DECEMBER 2, 2007.**



## **NOTE:**

**The Form 8453-I needs to be attached to the return as a Portable Document Format (PDF) file. Please copy the attached Form 8453-I, save it as a PDF file and attach to your return. Follow your software developer's instructions on what to name the file and where to attach it.**

**Note: if you do not name the file correctly, Modernized e-File [MeF] will reject the return as either a signature document (8453) or an electronic PIN signature (through use of the Form 8879) must be present in all returns.**

**Foreign Corporation Income Tax  
Declaration for an IRS e-file Return**

OMB No. 1545-0126

Department of the Treasury  
Internal Revenue ServiceFile electronically with the corporation's tax return. Do not file paper copies.  
For calendar year 2007, or tax year beginning **Jan 01**, 2007, ending **Dec 31**, 20 **07****2007**

Name of corporation

Employer identification number

**RMN Incorporated****11 : 0000600****Part I Tax Return Information** (Whole dollars only)

1	Total income (Form 1120-F, Section II, line 11)	1	<b>2,017,000</b>
2	Taxable income less net operating loss and/or special deductions (Form 1120-F, Section II, line 31)	2	<b>1,000,000</b>
3	Total tax (Form 1120-F, Schedule J, line 9)	3	<b>480,000</b>
4	Amount owed (Form 1120-F, line 7)	4	
5	Overpayment (Form 1120-F, line 8)	5	<b>740,000</b>

**Part II Declaration of Officer** (see instructions) **Be sure to keep a copy of the corporation's tax return.**

- 6a ☐ I consent that the corporation's refund be directly deposited as designated on the **Form 8302**, Electronic Deposit of Tax Refund of \$1 Million or More, that will be electronically transmitted with the corporation's 2007 federal income tax return.
- b ☐ I do not want direct deposit of the corporation's refund or the corporation is not receiving a refund.
- c ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If the corporation is filing a balance due return, I understand that if the IRS does not receive full and timely payment of its tax liability, the corporation will remain liable for the tax liability and all applicable interest and penalties.

Under penalties of perjury, I declare that I am an officer of the above corporation and that the information I have given my electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) and the amounts in Part I above agree with the amounts on the corresponding lines of the corporation's 2006 federal income tax return. To the best of my knowledge and belief, the corporation's return is true, correct, and complete. I consent to my ERO, transmitter, and/or ISP sending the corporation's return, this declaration, and accompanying schedules and statements to the IRS. I also consent to the IRS sending my ERO, transmitter, and/or ISP an acknowledgment of receipt of transmission and an indication of whether or not the corporation's return is accepted, any indication of a refund offset, and, if rejected, the reason(s) for the rejection. If the processing of the corporation's return or refund is delayed, I authorize the IRS to disclose to my ERO, transmitter, and/or ISP the reason(s) for the delay, or when the refund was sent.

Sign  
Here

Signature of officer

Date

Chief Financial Officer

Title

**Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer** (see instructions)

I declare that I have reviewed the above corporation's return and that the entries on Form 8453-C are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The corporate officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ( )		

Under penalties of perjury, I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ( )	